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January 10, 2013

Thomas J. Navin
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Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Puerto Rico Telephone Company's Emergency Petition for Temporary Waiver of the Lifeline Recertification Deadline; Lifeline and Link Up Reform and Modernization*, WC Docket 11-42; *Lifeline and Link-Up*, WC Docket No. 03-109; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45

Dear Ms. Dortch:

On December 24, 2012, the Puerto Rico Telephone Company ("PRT") filed an Emergency Petition for Temporary Waiver of the Lifeline Recertification Deadline ("Petition") seeking an additional 20 days to complete the federal Lifeline recertification process.¹ In response to questions from FCC Wireline Bureau Staff yesterday, January 9, 2013, PRT provides the following clarification.

First, PRT further explains the confusion that caused many of PRT's Lifeline customers to wait until the very end of 2012 to complete their federal recertification. As PRT previously explained, many customers confused the federal recertification process with the Puerto Rico Telecommunications Regulatory Board's ("TRB" or "Board") annual renewal process.² Indeed, the TRB requires that all Lifeline subscribers annually demonstrate their continued eligibility under applicable Lifeline criteria. Specifically, customers must present documentation that they meet the income- or program-based eligibility criteria adopted by the TRB; they may not simply self-certify to that effect.³ PRT performs these re-

¹ See Puerto Rico Telephone Company's Emergency Petition for Temporary Waiver of 2012 Lifeline Eligibility Recertification Deadline, WC Docket No. 11-42 (filed Dec. 24, 2012). Specifically, PRT requests a waiver of Sections 54.410(f) (December 31, 2012 deadline for recertifying the continued eligibility of Lifeline subscribers as of June 1, 2012) and 54.405(e)(4) (requiring de-enrollment within five business days of a failure to respond to a request within 30 days of de-enrollment letter).

² See *id.*

³ See Comments of the Telecommunications Regulatory Board of Puerto Rico In Response to the Emergency Petition for Declaratory Ruling and Interim Relief Filed by TracFone Wireless, Inc., WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45 (filed March 9, 2012), Exhibit A.

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certifications on a rolling basis, sending forms to subscribers each month on the anniversary of their enrollment in Lifeline. The form in use during the first five months of 2012 required subscribers to certify, under penalty of perjury, that neither the customer, nor any family members, “possess an additional telephone line or a cellular phone or a PCS that is subscribed to the Lifeline subsidy.” *See Attachment A*. The customer also was required to certify “that the documents presented are a true and exact representation of [the subscriber’s] family’s unit annual Income” and also agree to “notify CLARO when [the customer] ceased to be a beneficiary.” *See id.* This information closely resembles the information on the federal certification form that PRT distributed to its Lifeline customers. *See Attachment B*. Undoubtedly, many customers confused the federal re-certification with the TRB certification that they completed earlier in the year.⁴

In addition to satisfying the TRB’s annual certification requirement, many Lifeline customers were also forced to re-enroll for the Lifeline program earlier this year after the TRB improperly de-enrolled a large number of Lifeline customers.⁵ To re-enroll, customers needed to fill out the form that we included as Attachment A and provide documentation to justify Lifeline support. Again, many of these customers likely confused the federal re-certification process with the TRB re-enrollment process that they completed just months before.

Second, PRT reiterates that a 20-day waiver of the 2012 re-certification requirement—which is less than the permanent waiver relief granted to PR

⁴ If PRT had not engaged in extensive outreach in November and December, PRT expects that the number of re-certified customers would have been substantially lower.

⁵ Specifically, in July 2011, the TRB adopted requirements designed to eliminate the occurrence of duplicate Lifeline discounts at the same household and by the same individual subscriber. Among other things, the TRB conducted an initial comprehensive review of Lifeline subscriber data obtained from PRT and other Lifeline providers in Puerto Rico. As a result of the review, the TRB’s process forced the de-enrollment of affected subscribers from all Lifeline service, rather than allowing subscribers to retain one non-duplicate Lifeline subscription as required by the FCC’s rules and orders. After several filings before the FCC brought attention to the legal deficiencies with the TRB’s approach, the TRB issued a directive allowing some (but not all) de-enrolled customers to re-enroll with a single Lifeline provider.

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Wireless⁶—is warranted because the purposes of Section 54.410(f) have been served by the procedures already undertaken this year with respect to PRT’s Lifeline customers. As both PRT and PR Wireless have explained, the TRB implemented rules and procedures in 2011 and 2012 aimed at eliminating the occurrence of duplicate Lifeline discounts at the same household and by the same individual subscriber.⁷

As part of this process, all of PRT’s Lifeline subscribers are subjected to a rigorous, indeed perhaps overly aggressive, duplicate elimination process resulting in thousands of mandatory de-enrollments.⁸ In fact, as noted in its Petition, PRT already de-enrolled more than 55,000 Lifeline customers from April to December 2012. As discussed above, PRT’s Lifeline customers also provided actual documentation to the TRB earlier this year that demonstrated their eligibility, and they made nearly all of the certifications required under the FCC’s rules. Therefore, PRT is confident that the vast majority of its 134,387 Lifeline customers enrolled as of June 1, 2012 remain eligible for support under the new FCC rules. PRT nevertheless appreciates the FCC’s interest in granting a limited waiver, and thus PRT only seeks a 20-day extension of the recertification deadline (as opposed to the much broader waiver granted to PR Wireless) for a very limited group of Lifeline customers (*i.e.*, those customers that did not respond by December 31, 2012).

Third, PRT notes that 87,067 Lifeline customers have recertified with PRT as of December 31, 2012. When PRT filed its Petition on December 24, 2012, PRT had only received 73,944 responses from Lifeline customers. This large jump in re-

⁶ See *Lifeline and Link Up Reform and Modernization*, Order, WC Docket 11-42, DA 12-1927 (Wireline Comp. Bur. rel. Nov. 30, 2012) (waiving the 2012 Lifeline re-certification requirement with respect to PR Wireless’ subscribers enrolled or re-certified between January 1, 2012 and May 31, 2012). Importantly, PRT has substantially more Lifeline customers than other carriers in Puerto Rico. Thus, the burden of the federal recertification program is a much greater burden on PRT than on other carriers.

⁷ See PR Wireless Petition for Waiver of Section 54.410(f) of the Commission’s Rules, at 6-8 (filed Aug. 16, 2012).

⁸ Specifically, the TRB implemented a centralized database to screen all existing and potential Lifeline subscribers for duplicate addresses and duplicate social security numbers. This screening is undertaken before any support is paid, foreclosing the possibility that multiple Lifeline discounts will be provided to the same subscriber or the same household.



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certifications in just one week shows that granting PRT's limited waiver will benefit the public's interest in protecting Lifeline support for qualified eligible customers.

Fourth, as discussed with the Bureau staff, if the Commission ultimately rejects the TRB's petition to opt out of the National Lifeline Accountability Database ("NLAD"), PRT commits to securing consent from its customers by May 1, 2013 to submit their names to the NLAD.⁹

Thank you for your attention to this request, and please let me know if there are any additional questions.

Sincerely yours,

/s/ Tom Navin

Thomas J. Navin

cc: Kim Scardino
Jonathan Lechter
Michele Schaefer

⁹ On November 30, 2012, the Puerto Rico Board filed a petition to opt out of the NLAD. In addition to a description of the Board's efforts to mitigate duplicative Lifeline support, the Board certified that its database meets each requirement described in the Commission's October 11, 2012 Public Notice. To date, the Commission has not ruled on the Board's Petition.

Attachment A

UNIVERSAL SERVICE

CLARO, leader in service and telecommunications technology, offers its customers orientation about the Universal Service Programs (Federal / Local). Both programs purpose is to guarantee access to modern telecommunication services at a reasonable cost to people with limited resources.

FEDERAL UNIVERSAL SERVICE PROGRAM

- ♦ **Lifeline** - Offers residential and cellular customers, who comply with the eligibility requirements, a maximum monthly subsidy of \$10.00 for the cost of Interstate Access and telephone basic rent.

Customers subscribed to this subsidy, may select (optional) Long Distance Call Restriction at no additional cost. This selection offers an Initial Deposit Credit.

- ♦ **Link-Up America** - Grant an eligible customer requesting residential and cellular service, the benefit of a subsidy that covers half of the installation or activation cost of the main residential line, up to a maximum of \$30.00 (whichever is less) for the installation charge. This applies only to all new connections.

LOCAL UNIVERSAL SERVICE PROGRAM

- ♦ The Local Program includes a monthly subsidy of \$3.50, applicable to the Basic Rent of the main line.

- ♦ Both programs combined, (Federal / Local) offer a maximum credit of \$13.50 on the monthly telephone invoice.

- ♦ These services apply exclusively to one telephone line. The subsidy (Federal and Local) apply only to one wireline or wireless phone line, not both of them.

- ♦ Once the documents are processed by CLARO, the applicant will begin to enjoy the benefits of the subsidy.

IMPORTANT

The customer may receive the telephone subsidy, if he is a beneficiary of one of the following social assistance program :

- Nutritional Assistance Program (PAN), Family Department
 - Local Energy Assistance Program for Low Income Homes, Family Department
 - Plan Section 8, Housing Department
 - Medicaid Program, Health Department
 - Temporary Assistance for Needy Families Program (TANF), Family Department
 - National School Lunch Program, Education Department
 - Income Eligibility (present evidence of family gross income)
- The telephone number must be registered under the participant's name of the benefit program
 - The subsidy is not transferable to another customer
 - It is necessary to present Certification from the participating government agency. Also, Universal Service request properly completed and signed. PAN customers need only submit the request.
 - All member of the household to qualify by income should presented evidence of all income receive.
 - If your certification is not considered eligible, you will receive a written notification. The request may be reconsidered, according to the applicable laws.
 - Any person, who knowingly presents false or fraudulent information on this document, may be penalized under the applicable laws. In addition, the subsidy will be suspended immediately.
 - Call and notify if you discontinue to participate in any of the applicable beneficiary programs, if there is any change to your income
 - The Local Energy subsidy program is not related to any Power Authority Program

PROGRAM INFORMATION CENTER

(787) 774-3000

SERVICIO UNIVERSAL

P.O. BOX 70234 / SAN JUAN, PR 00939 - 7234

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UNIVERSAL SERVICE REQUEST

ENTER THE NUMBER THAT YOU WISH THE SUBSIDY

First Name	Second Last Name	Name	Social Security Number	Telephone Number ()	Cellular Number ()
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Residential Address (Complex or Condominium Name, Street Name or Number, City, Postal Zip Code) Please enter the address in the suggested order

Program Requested : <input type="checkbox"/> "Link-up America" (only new application) <input type="checkbox"/> "Lifeline" (New or existing customers)	If a telephone application was submitted, enter the order number	Do you wish to restrict Long Distance Calls without an additional cost? <input type="checkbox"/> Yes <input type="checkbox"/> No
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If you have another telephone number under your name enter the number	How many persons live in your home? Family Unit _____	(Income Eligibility) Annual Gross Family Income :
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PAN PROGRAM - CUSTOMER BENEFICIARY CERTIFICATION (Family Department)

- () I request registration in the Universal Service Program
- () I request exclusion from the automatic enrollment process for the Universal Service Program
- () I certify that neither I, nor any member of my family unit possess an additional telephone line or a cellular phone or a PCS that is subscribed to the Lifeline subsidy. In addition, I agree to submit annually, evidence of my participation in the Program and notify CLARO when I cease to be a beneficiary.

CUSTOMER BENEFICIARY CERTIFICATION OF OTHER PROGRAMS

I certify, under penalty of perjury, that neither I, nor any member of my family unit possess an additional telephone line or a cellular phone or a PCS that is subscribed to the Lifeline subsidy. In the same manner, I certify that the documents presented are a true and exact representation of my family's unit annual income. In addition, I agree to submit annually, evidence of my participation in the Program and notify CLARO when I cease to be a beneficiary.

Signature	Date
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WARNING : Providing false or fraudulent information on this document, may be penalized according to the effective laws. Only applications that are duly completed and signed will be processed.

Attachment B

UNIVERSAL SERVICE PROGRAM

The Universal Service Programs ("Lifeline") provides discounts on monthly telephone bill for the rent of a single service, whether landline or mobile, to subscribers who meet the eligibility criteria for this benefit. Funds "Lifeline" come from the Federal Universal Service Fund (administered by USAC and the FCC) and Universal Service Fund of Puerto Rico (administered by Solix, Inc. and the Telecommunications Regulatory Board of Puerto Rico). User Eligibility for the subsidy is based on your participation on qualified assistance programs or based on income criteria established by the above mentioned agencies.

The Federal Program provides a subsidy of \$ 9.25 and the Local Program provides a subsidy of \$ 3.50, both applicable to the monthly basic rent. These combined programs offer a maximum credit of \$ 12.75, which can only be applied to the phone service for a single household.

The customer subscribed to this benefit may select the restriction to generate long distance calls at no extra cost. This selection will refund a credit of \$20 of the initial deposit of new orders.

The applicant will begin to enjoy the subsidy, once all required documents are submitted to and processed by CLARO. The customer will be notified in writing if the application is deemed ineligible. This determination may be reconsidered in accordance with the laws and / or regulations.

Any applicant, who provides false or misleading information in the application, may be penalized according to existing laws, and the grant will be suspended immediately.

ELIGIBILITY REQUIREMENTS FOR GRANT:

- a. The applicant must demonstrate that he has been qualified to receive help from any of the following assistance programs: Nutrition Assistance Program (NAP), Medical Assistance Program ("Medic Aid") Program Federal Housing Assistance (Section 8); Energy Assistance Program for Low Income, National School Full Lunch Program Temporary Assistance for Needy Families Program, or Supplemental Security Income. All applicants, except PAN beneficiaries who are automatic enrolled, must submit an official certification of the government agency that administers these programs.
- b. An applicant who does not participate in any of these assistance programs and who qualifies by income criteria, must certify annual income of all household members using the following methods: state or federal tax return, pay stubs of three consecutive months of the same year; statement of social security benefits; statement of Veterans Administration benefits; statement of pension or retirement benefits, statement of unemployment benefits or the State Insurance Fund, divorce decree or resolution of alimony. The applicant must certify in writing, under penalty of perjury, that the document reflects the accuracy of your household income.

ADDITIONAL REQUIREMENTS:

- Submit the Universal Service Application completed correctly and signed.
- The telephone number should be registered under the name of the participant of the assistance program.
- Provide a recent reliable and accurate statement of Utility bills (water, electric power, cable, satellite television, telephone) or any other which validates his residential physical address, in addition to his postal address.
- Provide birth certificate, passport or driver's license.
- The applicant must complete the form; "Form on Household Lifeline" only in those cases in which the same address within another household resides separately from the applicant and in which one member receives the subsidy "Lifeline". **For purposes of the grant, family unit is defined as an individual or group of individuals living together in the same address as a single economic unit and sharing income and expenses.**

RESPONSABILITIES OF THE BENEFICIARY OF LIFELINE:

- Notify CLARO, within 30 days if beneficiary no longer meets the criteria for "Lifeline."
- If the beneficiary is moving, he shall notify CLARO of his new physical address within 30 days of moving.
- If a temporary residential address has been provided, the applicant should notify CLARO of his new residential address within every 90 days.
- The grant is not transferable; the beneficiary cannot transfer their benefit to another customer.
- In the case of beneficiaries subscribed to a prepaid service from CLARO, it is required to use the service for a consecutive period of 60 days to maintain the subsidy.

GUIDELINES FOR COMPLETING THE APPLICATION OF UNIVERSAL SERVICE:

1. Mark only one service line where you want the benefit of the subsidy.
2. If existing customer, enter the telephone number or if you are a new customer indicate the number of the service order.
3. Enter the surname (last name).
4. Enter the second surname (last name). If you do not have a second surname (last name) you must present one of the following documents: (birth certificate, passport or driver's license).
5. Enter your first name.
6. Enter your second name (if applicable).
7. Enter your date of birth in the following order (month, day and year).
8. Enter your full social security number.
9. State two (2) reference telephone numbers where you can be reached.
10. Enter your postal address where you receive your invoice and correspondence.
11. Enter your home address (physical). Must demonstrate evidence presenting any of the following documents: water bill, electric power, cable or satellite television, telephone or any other statement containing the applicant's name and residential address evidencing permanent physical address.
12. Mark if your address of residence is permanent or temporary.
13. Mark if your address resides in more than one household. If there is an additional household in the same address; you must complete the "Form on Household Lifeline".
14. Indicate the number of people who live with you. This number does not include the applicant.
15. Mark if you are applying for benefits based on your income. Must submit evidence of the documents described in section (b) of the "ELIGIBILITY REQUIREMENTS FOR GRANT".
16. Mark if you are applying for the benefit as a participant of one (1) of the assistance programs listed in this box.
17. Indicate the social security number of each of the membership your household.
18. Indicate whether to restrict long distance service at no additional cost. However, the restriction does not apply to long-distance service packages ("bundles") that include long distance plans.
19. If you are a member of PAN, include your initials next to your selection for automatic enrollment in the Universal Service Program. If you choose option (b) to exclude from the automatic enrollment you must complete box 20.
20. If you are applying for one of the assistance programs grants, write your initials in option (a). If you are applying based on your income, write your initials next to option (b).
21. Read carefully the information regarding Warning, which indicates the commitment that you contract with the information, provided in each of the boxes and sign the application for the benefit.
22. Sign the application. Without the signature the application is invalid.
23. Indicate the date you are signing the application.

FOR ADDITIONAL INFORMATION ON THESE PROGRAMS YOU MAY CONTACT:

(787)- 774-3000

UNIVERSAL SERVICE - P.O. BOX 70234 / SAN JUAN, PR 00939-7234

(787)-782-0828 fax

E-mail: serviciouniversalpr@claropr.com

UNIVERSAL SERVICE APPLICATION



(1) Indicate which service you want the Subsidy: <input type="checkbox"/> Claro Fijo <input type="checkbox"/> Claro Móvil <input type="checkbox"/> Claro Pre Pago		(2) Existing Service: <input type="checkbox"/> New Service <input type="checkbox"/> Indicate telephone Number Indicate Order Number : () ()																	
(3) Last Name		(4) Mother's Maiden Name																	
(5) Name		(6) Middle Name																	
(7) Date of Birth (MM- DD -YYYY-)		(8) Social Security Number _____ - _____ - _____																	
(9) Include two reference numbers () ()																			
(10) Postal Address: Urb. /Cond. Number Street Town State Zip Code																			
(11) Residential Address: Urb. /Cond./Bo. Number Street /Road Town State Zip Code																			
(12) Mark if your <u>residential</u> address is permanent or temporary: <input type="checkbox"/> Permanent <input type="checkbox"/> Temporary		(13) In this address lives another family unit that receives subsidy? YES <input type="checkbox"/> No <input type="checkbox"/> If you mark "Yes" you should complete the "Form on Household Lifeline"																	
(14) ¿ How many people compose your household? (Do not include applicant)		(15) Mark if your eligibility for the subsidy is based on income. YES <input type="checkbox"/> No <input type="checkbox"/> If "No", complete box 16.																	
(16) Mark the assistance program based on the one that qualifies you for the subsidy: <input type="checkbox"/> Nutrition Assistance Program (PAN) of the Family Department <input type="checkbox"/> Federal Housing Program (Section 8) of the Department of Housing. <input type="checkbox"/> Medical Assistance Program ("Medicaid") of the Department of Health. <input type="checkbox"/> Temporary Assistance Program for Needy Families ("TANF") of the Department of the Family.		<input type="checkbox"/> National School Lunch Program free of cost from the Education Department. <input type="checkbox"/> Energy Assistance Program Low Income Family Department. The Energy Assistance grant is <u>not</u> related to the programs of the Power Authority. <input type="checkbox"/> Supplemental Security Income.																	
(17) Indicate the Social Security number of each household member. (Except the applicant)		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">Name</td> <td style="width: 33%;">Social Security Number</td> <td style="width: 33%;">Name</td> <td style="width: 33%;">Social Security Number</td> </tr> <tr> <td>Name</td> <td>Social Security Number</td> <td>Name</td> <td>Social Security Number</td> </tr> <tr> <td>Name</td> <td>Social Security Number</td> <td>Name</td> <td>Social Security Number</td> </tr> <tr> <td>Name</td> <td>Social Security Number</td> <td>Name</td> <td>Social Security Number</td> </tr> </table>		Name	Social Security Number	Name	Social Security Number	Name	Social Security Number	Name	Social Security Number	Name	Social Security Number	Name	Social Security Number	Name	Social Security Number	Name	Social Security Number
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(18) Do you want to restrict long distance calls at no additional cost? Yes <input type="checkbox"/> No <input type="checkbox"/>																			
(19) AUTOMATIC SUBSCRIPTION PAN PARTICIPANTS (Mark only the one that applies) a. _____ I request subscription of the Universal Service Program through the automatic enrollment process. Under penalty of perjury and permanent ineligibility neither I nor any of my household residents receives the subsidy in another wireline, wireless telephone or any other technology. I agree to notify CLARO in the event to discontinue with my participation in PAN. b. _____ Request to be excluded from automatic enrollment of the Universal Service Program. (Complete Box 20).		(20) CERTIFICATION OF PROOF OF OTHER BENEFICIARY PROGRAMS OR INCOME (Mark only the one that applies) a. _____ I certify under penalty of perjury or permanent ineligibility, neither I nor any other member of my household receives a subsidy in another wireline, wireless telephone or any other technology. In addition, I agree to submit annual evidence of my participation in an assistance program and notify CLARO if I discontinue being a beneficiary of this program. b. _____ I certify under penalty of perjury or permanent ineligibility, neither I nor any other member of my household receives a subsidy in another wireline, wireless telephone or any other technology and the documentation presents here states the truth of my unit household income.																	
(21) WARNING: By signing this application you acknowledge and agree that "Lifeline" is a federal benefit and state that providing false information to obtain this benefit can result in fines, imprisonment or the cancellation of the subsidy "Lifeline". This application and all documents submitted for the qualification of the applicant may be requires by the Telecommunications Regulatory Board of Puerto Rico, the Federal Communications Commission and / or administrators of universal service funds. In addition, accept that the only subsidy available is "Lifeline" per household. A household may not receive subsidy "Lifeline" of more than one service provider. This benefit is not transferable to another person. Maybe required to re-certify eligibility at any time and failure to do so subsidizing "Lifeline" will be cancelled. CLARO will only process applications completed correctly and signed.																			
(22) Applicant's Signature		(23) Date																	
FOR INTERNAL USE OF CLARO																			
Control Code JRT	Exception Code, if applicable	Date of Subscripción	Termination Date																